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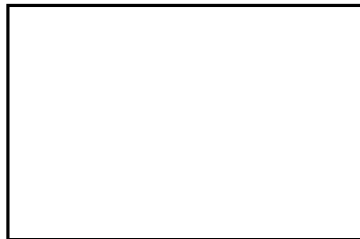
Top Secret 200

(Security Classification)

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday January 13, 1977

CG NIDC 77-010C

State Department review completed



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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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Approved For Release 2006/03/17 : CIA-RDP79T00975A029700010020-0

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National Intelligence Daily Cable for Thursday, January 13, 1976.

The NID Cable is for the purpose of informing senior US officials.

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USSR: More Explosions in Moscow

[] The US embassy in Moscow has learned []
[] that, apart from the publicized explosion in the Moscow subway on Saturday, there were at least two other blasts in the city the same day. One was said to have occurred near the KGB headquarters.

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[] This information generally coincides with rumors reported by the Western press last weekend. []
that the three explosions, which they say were "definitely" caused by bombs, represent a potentially serious challenge to the authorities in Moscow as well as to the overwhelmingly non-violent Soviet dissident movement.

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[] the article reporting the first explosion, written by well-connected Soviet journalist Victor Louis and published in a London newspaper, was reminiscent of the kind of officially inspired reporting that appeared during the spy-hysteria of the 1930s. []

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[] would be used by the authorities for serious new moves against dissidence of all kinds.

[]
[] convinced that the explosions were not set off by the authorities themselves to serve as pretexts for repression.

[] Domestic Soviet media have not reprinted the Victor Louis article, and Tass has carried only a sparse announcement of the first blast without speculating on its cause. The authorities may be still undecided on how publicly to interpret or exploit the Moscow events.

[] Louis' article implied that dissidents were to blame for the subway explosion and that they may have been incited by the adverse impact on Soviet society of the freedom of information provisions of the Helsinki accords. This may be the direction that both Soviet propaganda and possible antidissident action may take.

[] The apparent nationwide crackdown on dissident activity, which was gathering momentum even before the explosions in Moscow, could be part of a Soviet effort to bring overt dissidence in the USSR under control well in advance of the European

security follow-on conference in Belgrade in June.

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CHINA-US: Future Relations

25X1 [REDACTED] //In a lengthy paeon to the late Chou En-lai in the *People's Daily* on Tuesday, a group of writers from the Chinese Foreign Ministry referred to a desire for talks between China and the US on the Taiwan issue, a reflection of China's concern that the incoming administration is paying inadequate attention to China.//

25X1 [REDACTED] //The article follows earlier private Chinese references beginning last November to fears that the incoming administration in Washington will be so preoccupied with domestic affairs and with US-Soviet relations that it will devote little attention to resolving the Taiwan matter, which remains the chief obstacle to improved Sino-US relations. Some of these private remarks have included hints of Chinese flexibility on the Taiwan issue.//

25X1 [REDACTED] The statement on Tuesday said the dispute between China and the US should be resolved "through negotiations without the use of force"--language that dates to the 1950s when the two sides were negotiating a non-use-of-force agreement for the Taiwan area.

25X1 [REDACTED] //The original reference to non-use-of-force was in the context of a possible Sino-US clash over Taiwan in the 1950s and was not intended by the Chinese to rule out the possibility that they might eventually resort to military means

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to "liberate" Taiwan. Nonetheless, the references that China's historical position on this issue in the best light could be part of a larger effort to create a positive atmosphere for negotiations that China hopes will induce movement from the new administration on the Taiwan issue.//

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[redacted] //The article implied no change in China's basic demands on Taiwan--that the US will break relations with Taipei and terminate its security arrangements with the Chinese Nationalists. It asserted the familiar claim that Taiwan is "China's internal affair" and that no "foreign interference" will be allowed, a reference to past US requests for a Chinese commitment not to use force [redacted]

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[redacted] //Peking has emphasized in recent weeks its view that only adherence to the principles of the Shanghai communique will assure improvement in Sino-US relations. In an unusual report on the meeting last week of Chinese liaison office chief Huang Chen with Secretary Kissinger and his successor-designate, Chinese media pointed approvingly to Cyrus Vance's statement--that US relations with China would be "guided" by the Shanghai communique. The Chinese report also noted with obvious satisfaction that Kissinger had referred to the "enormous importance" the US attaches to normalizing relations with China.// [redacted]

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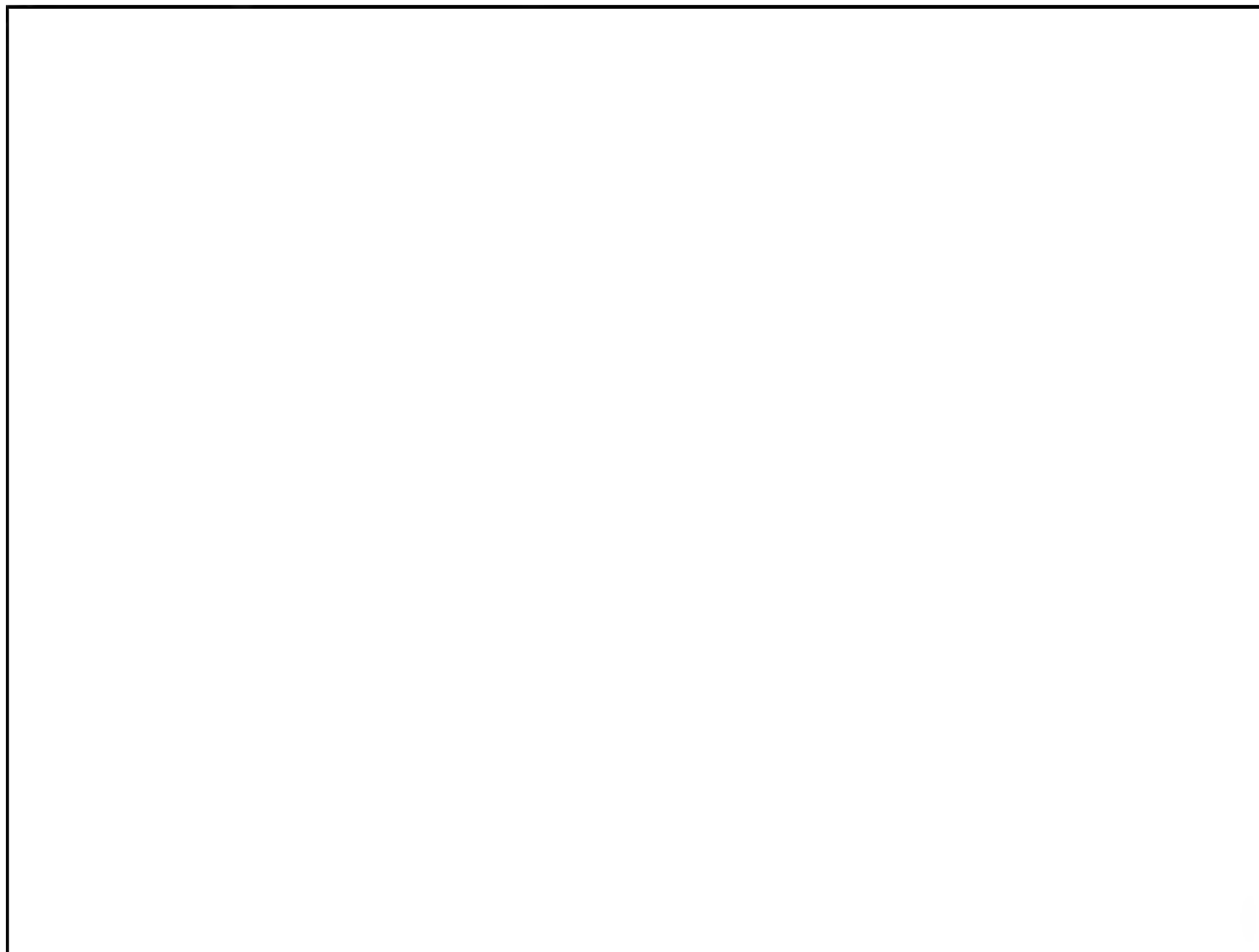
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USSR-SYRIA: Tartus Facilities Dispute

 The Syrian threat to deny facilities at Tartus to Soviet naval ships may have been a demonstration of President Asad's unhappiness over Moscow's heavy-handed tactics during the fighting in Lebanon. He may have wanted to remind the Soviets that Syria is Moscow's only client among the respectable Arab states, and that good relations are important to both sides.



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[redacted] Asad, who has cautiously but steadily reduced the Soviet economic presence in Syria over the past year, may have decided that now was an appropriate time to signal a move against the Soviet military presence as well. Since the Lebanese cease-fire, he has been seeking better relations with Egypt and Saudi Arabia, and these countries have been advising a reduction in the Soviet presence.

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[redacted] //Unlike the Egyptians, however, the Syrians have never been interested in an open break with Moscow and do not want to jeopardize their military relations with the Soviets.

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[redacted] The Syrians, however, have now let Moscow know that they cannot be taken for granted. The Soviets, who have privately expressed concern about the rapprochement between Egypt and Syria, may now have to make additional offers of assistance to counter residual Syrian bitterness.

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ISRAEL: Peres' Candidacy

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[redacted] Israeli Defense Minister Peres' decision to seek the Labor party's nomination for prime minister makes it likely that there will be a divisive leadership struggle at the Labor party convention next month.

25X1 [] Former prime minister Golda Meir and other old-guard party leaders, who favor Prime Minister Rabin, had hoped to dissuade Peres from running. The suicide of housing minister Ofer, a close political ally of Rabin's, and the Labor Party's poor showing in recent public opinion polls apparently prompted Peres to run.

25X1 [] Peres was defeated by Rabin for the prime minister-ship in a party election in 1974 by a relatively narrow margin, and he doubtless believes that his chances of overhauling Rabin this time are good. His most effective appeal may be that Labor cannot win with Rabin and that only his candidacy, at the head of a new team, offers the party a chance to refurbish its image and avoid a calamitous setback at the polls in May--an argument he has already begun to use.

25X1 [] Peres, however, will have to overcome the opposition of Foreign Minister Allon's faction and of Meir and Labor Party bosses, who still hold it against him that he bolted the party in 1965 with former Labor prime minister Ben-Gurion. Mapam, Labor's left-wing coalition partner, also opposes Peres and has threatened to break up its alliance with Labor unless the Labor Party adopts a more explicitly dovish party platform on peace negotiations than Peres favors.

25X1 [] The collapse of the alignment with Mapam could sharply reduce Labor's plurality in the next election, or throw the election to the conservative hard-line Likud bloc, although this is less likely.

25X1 [] To complicate matters further, former foreign minister Abba Eban has also declared his candidacy in an effort to woo Labor Party doves away from Rabin and, paradoxically, lock up the nomination for the more hawkish Peres. Eban, who holds a long-standing grudge against Rabin, has already indicated he would be willing to serve in a Peres cabinet.

25X1 [] Despite his reputation for opportunism and pragmatism, any government headed by Peres would adopt a tougher, more independent line on Middle East peace negotiations than one led by Rabin. A protege of former defense minister Dayan, Peres' main base of support is within the right-wing of the Labor Party. In the past, moreover, he has been more favorably disposed than Rabin to the re-establishment of a national unity

coalition government with Likud, which takes a much harder line on territorial concessions and favors the annexation of the West Bank.

25X1 [] In recent interviews, Peres has indicated that he favors a resumption of the step-by-step approach instead of reconvening the Geneva peace talks, which he probably believes would only end in stalemate over the issues of Palestinian participation in the negotiating process and Israeli withdrawals from the West Bank and Gaza Strip.

25X1 [] Peres has said he prefers a "functional" rather than a territorial agreement with Jordan over the West Bank. By this he means an arrangement that would allow Jordan to reassert its civil authority over most of the area but permit the Israelis to keep their armed forces there and to continue to establish settlements.

25X1 [] As a possible gesture to party doves and Mapam, however, Peres has hinted at a readiness to make territorial concessions as well but only when the Arabs are ready in his view to make "genuine peace" with Israel--a position very similiar to Rabin's which envisions full diplomatic and commercial relations as part of a final peace settlement. 25X1 []

CHINA-JAPAN: Upcoming Trade Bargaining

25X1 [] //Differences between China and Japan on oil and other trade issues could lead to hard bargaining in upcoming negotiations. China is likely to take a strong position, but its options and leverage are limited.//

25X1 [] Sino-Japanese trade is much more important to China than Japan, and accounts for more than one fourth of China's trade. Last year both imports and exports fell off, with the result that China's deficit with Japan was cut to about half the \$900-million level of 1975.

25X1 [] //Peking hopes to narrow the trade deficit even more by increasing oil exports but is likely to be frustrated by Tokyo's reluctance to step up imports. China also

wants to increase exports of silk and cotton textiles, but its plans are running against Japanese protectionist policies for these goods. Japan, on the other hand, wants to import more coal than China appears willing or able to supply.//

//Meanwhile, Japan remains China's major supplier of steel, chemical fertilizers, and machinery. Competition for a possibly smaller Chinese market for machinery and equipment in 1977 could, however, strengthen Peking's hand. China might try linking increased purchases of Japanese machinery to a boost in Japanese oil imports during 1977-78, although a similar effort collapsed last year.//

CZECHOSLOVAKIA: Dissidence Continues

Security police are continuing to harass Czech dissidents who apparently wrote a human rights declaration that was first published in West Germany and France. The authorities seem to be following a deliberate policy of repeated detention, questioning and release of the more prominent dissidents.

In addition, the police have evidently attempted to enlist one widely known dissident as a "witness," implying that the government may be considering some form of legal action against those arrested. The government, however, would obviously prefer to avoid formal trials in view of the international repercussions that would inevitably ensue.